

House Bill 137

By: Representatives Teilhet of the 40<sup>th</sup>, Fludd of the 66<sup>th</sup>, Davis of the 122<sup>nd</sup>, Starr of the 78<sup>th</sup>,  
Marin of the 96<sup>th</sup>, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 1 of Chapter 7 of Title 50 of the Official Code of Georgia Annotated,  
2 relating to general provisions of the Department of Economic Development, so as to provide  
3 for the establishment of a grant program to support training and technical assistance for  
4 low-income microentrepreneurs; to provide for legislative findings; to provide for definitions;  
5 to provide for rules and regulations; to provide for related matters; to provide for an effective  
6 date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 1 of Chapter 7 of Title 50 of the Official Code of Georgia Annotated, relating to  
10 general provisions of the Department of Economic Development, is amended by adding Code  
11 Section 50-7-18, to read as follows:

12 "50-7-18.

13 (a) The General Assembly finds and determines that:

14 (1) Development and expansion of businesses in economically distressed communities  
15 in both rural and urban areas can assist residents who are unemployed, underemployed, or  
16 in low-income jobs;

17 (2) Microenterprises provide a means for unemployed, underemployed, or low-income  
18 individuals to find and sustain productive work, and they provide opportunities for  
19 economically distressed communities to thrive;

20 (3) Low-income microentrepreneurs lack access to capital, training, and technical  
21 assistance;

22 (4) Many low-income microentrepreneurs need lending services and technical assistance  
23 to start, operate, or expand their businesses;

24 (5) Local microenterprise support organizations have demonstrated cost-effective delivery  
25 methods for providing lending services and technical assistance; and

(6) Charitable foundation support, federal program funding, and private sector support can be leveraged by a state-wide program for development of microenterprises.

(b) As used in this Code section, the term:

(1) 'Commissioner' means the commissioner of the Department of Economic Development.

(2) 'Low-income person' means a person with income adjusted for family size that does not exceed:

(A) For metropolitan areas, 80 percent of median income; or

(B) For nonmetropolitan areas, the greater of 80 percent of the area median income or 80 percent of the state-wide nonmetropolitan area median income.

(3) 'Metropolitan area' means a county or group of contiguous counties or parts thereof as designated by the department which contains at least one central city of 50,000 inhabitants or more as determined by the latest available federal census or such other population estimate as may be provided by law.

(4) 'Microenterprise' means a sole proprietorship, partnership, or corporation that has fewer than five employees and generally lacks access to conventional loans, equity, or other banking services.

(5) 'Microenterprise development organization or program' means a nonprofit entity or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to low-income microenterprises.

(6) 'Qualified organization' means a nonprofit microenterprise development organization that has a demonstrated record of delivering services to low-income individuals.

(7) 'Training and technical assistance' means services and support provided to low-income owners and operators of microenterprises, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services.

(c) The commissioner shall establish a microenterprise technical assistance and capacity building grant program, subject to appropriations by the General Assembly, to provide assistance in the form of grants to qualified organizations. The commissioner shall ensure that not less than 50 percent of the funds made available are used to benefit persons whose income, adjusted for family size, is not more than 150 percent of the poverty line as defined in 42 U.S.C. Section 9902(2). A qualified organization must provide at least one dollar in matching funds for every dollar of state financial assistance. Fees, grants, and gifts from public or private sources may be used to comply with the matching funds requirement.

(d) The commissioner shall establish by regulation such requirements as may be necessary for carrying out the purposes of this Code section."

1 **SECTION 2.**

2 This Act shall become effective on July 1, 2007.

3 **SECTION 3.**

4 All laws and parts of laws in conflict with this Act are repealed.